



Homeland
Security

February 16, 2005

MEMORANDUM FOR: Karen E. Armes
Acting Regional Director
FEMA Region IX

Robert J. Lastrico

FROM: Robert J. Lastrico
Field Office Director
Office of Audits

SUBJECT: *Audit of the Santa Clara Valley Water District
Santa Clara, California
Public Assistance ID. No. 085-91005
FEMA Disaster No. 1203-DR-CA
Audit Report Number DS-09-05*

The Office of Inspector General (OIG) audited public assistance grant funds awarded to Santa Clara Valley Water District, Santa Clara, California (District). The objective of the audit was to determine whether the District expended and accounted for Federal Emergency Management Agency (FEMA) funds according to federal regulations and FEMA guidelines.

The District received a public assistance grant award of \$2.7 million from the California Office of Emergency Services (OES), a FEMA grantee, for damage resulting from severe winter storms and flooding beginning on February 2, 1998, and continuing through April 30, 1998. The award provided 75 percent federal funding for eight large projects and five small projects.¹ The audit covered the period February 2, 1998, to February 25, 2004, and included a review of three large projects with a total award of \$1.9 million.

The OIG performed the audit under the authority of the Inspector General Act of 1978, as amended, and according to *Government Auditing Standards* issued by the Comptroller General of the United States. The audit included a review of FEMA, OES, and District records, a judgmental sample of project expenditures, and other auditing procedures considered necessary under the circumstances.

The audit confirmed that the District expended and accounted for the FEMA funds according to federal regulations and FEMA guidelines. The OIG informed District, OES, and FEMA Region IX

¹ Federal regulations in effect at the time of the disaster set the large project threshold at \$47,100.

officials of the audit results on February 9, 2005. Since this report contains no recommendations, a response is not required. Should you have any questions concerning this report, please contact me at (510) 627-7011. Key contributors to this assignment were Humberto Melara and Willard Stark.